

RECEIVED

**ARIZONA CORPORATION COMMISSION**  
**UTILITIES DIVISION**

APR 19 2004  
AZ CORPORATION COMMISSION  
DIRECTOR OF UTILITIES

ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY



W-02089A  
Bradshaw Mountain View Water Company  
P. O. Box 20939  
Sedona AZ 863410939

**ANNUAL REPORT**

**FOR YEAR ENDING**

12	31	2003
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FOR COMMISSION USE

Ann04	03
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## COMPANY INFORMATION

Company Name (Business Name) **Kyllo Development dba Bradshaw Mountainview Water**

Mailing Address **PO Box 10593**

**Sedona**

(Street)

**AZ**

(State)

**86339**

(Zip)

**928-204-0604**

Telephone No. (Include Area Code)

**928-204-0604**

Fax No. (Include Area Code)

**928-301-3723**

Pager/Cell No. (Include Area Code)

Email Address **kyllo@npgcable.com**

Local Office Mailing Address **Same as above**

(Street)

(City)

(State)

(Zip)

Local Office Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

Email Address

## MANAGEMENT INFORMATION

Management Contact: **Tim Kyllo**

(Name)

**Pres**

(Title)

**PO Box 10593**

(Street)

**Sedona**

(City)

**AZ**

(State)

**86339**

(Zip)

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

Email Address **kyllo@npgcable.com**

On Site Manager: **Tim Kyllo**

(Name)

**same as above**

(Street)

(City)

(State)

(Zip)

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

Email Address

**Statutory Agent:** Tim Kylo

(Name)

**Same**

(Street)

(City)

(State)

(Zip)

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

**Attorney:** Raoul Jacques

(Name)

**40 E Virginia**

**Phoenix**

**Arizona**

**85004**

(Street)

(City)

(State)

(Zip)

**602-263-5771**

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

### OWNERSHIP INFORMATION

Check the following box that applies to your company:

☐ **Sole Proprietor (S)**

☐ **C Corporation (C) (Other than Association/Co-op)**

☐ **Partnership (P)**

☒ **Subchapter S Corporation (Z)**

☐ **Bankruptcy (B)**

☐ **Association/Co op (A)**

☐ **Receivership (R)**

☐ **Limited Liability Company**

☐ **Other (Describe)** \_\_\_\_\_

### COUNTIES SERVED

Check the box below for the county/ies in which you are certificated to provide service:

☐ **APACHE**

☐ **COCHISE**

☐ **COCONINO**

☐ **GILA**

☐ **GRAHAM**

☐ **GREENLEE**

☐ **LA PAZ**

☐ **MARICOPA**

☐ **MOHAVE**

☐ **NAVAJO**

☐ **PIMA**

☐ **PINAL**

☐ **SANTA CRUZ**

☒ **YAVAPAI**

☐ **YUMA**

☐ **STATEWIDE**

**UTILITY PLANT IN SERVICE**

<b>Acct. No.</b>	<b>DESCRIPTION</b>	<b>Original Cost (OC)</b>	<b>Accumulated Depreciation (AD)</b>	<b>O.C.L.D. (OC less AD)</b>
301	Organization	<b>10,271</b>	<b>10,271</b>	<b>0</b>
302	Franchises			
303	Land and Land Rights	<b>5,500</b>	<b>0</b>	<b>5,500</b>
304	Structures and Improvements	<b>14,205</b>	<b>11,113</b>	<b>3,801</b>
307	Wells and Springs	<b>43,580</b>	<b>22,979</b>	<b>14,247</b>
311	Pumping Equipment	<b>42,698</b>	<b>31,546</b>	<b>13,286</b>
320	Water Treatment Equipment	<b>1,735</b>	<b>1,126</b>	<b>695</b>
330	Distribution Reservoirs and Standpipes	<b>34,148</b>	<b>19,713</b>	<b>16,141</b>
331	Transmission and Distribution Mains	<b>163,552</b>	<b>163,552</b>	<b>0</b>
333	Services	<b>109,636</b>	<b>43,411</b>	<b>62,905</b>
334	Meters and Meter Installations	<b>45,975</b>	<b>28,636</b>	<b>18,511</b>
335	Hydrants			
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment			
340	Office Furniture and Equipment			
341	Transportation Equipment			
343	Tools, Shop and Garage Equipment	<b>1,600</b>	<b>1,010</b>	<b>670</b>
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant			
	<b>TOTALS</b>	<b>467,950</b>	<b>333,357</b>	<b>134,593</b>

This amount goes on the Balance Sheet Acct. No. 108 

**CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR**

Acct. No.	DESCRIPTION	Original Cost (1)	Depreciation Percentage (2)	Depreciation Expense (1x2)
301	Organization	10,271	5%	
302	Franchises			
303	Land and Land Rights	5,500		
304	Structures and Improvements	14,205		710
307	Wells and Springs	43,580		2,179
311	Pumping Equipment	42,698		2,135
320	Water Treatment Equipment	1,735		87
330	Distribution Reservoirs and Standpipes	34,148		1,707
331	Transmission and Distribution Mains	163,552		
333	Services	109,636		5,481
334	Meters and Meter Installations	45,975		2,298
335	Hydrants			
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment			
340	Office Furniture and Equipment			
341	Transportation Equipment			
343	Tools, Shop and Garage Equipment	1,600		80
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant			
	<b>TOTALS</b>	<b>468,985</b>		<b>14,677</b>

This amount goes on Comparative Statement of Income and Expense  
Acct. No. 403.

**BALANCE SHEET**

Acct. No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	<b>ASSETS</b>		
	<b>CURRENT AND ACCRUED ASSETS</b>		
131	Cash	\$ <b>(4,046)</b>	\$ <b>2,304</b>
134	Working Funds		
135	Temporary Cash Investments		
141	Customer Accounts Receivable		
146	Notes/Receivables from Associated Companies		
151	Plant Material and Supplies		
162	Prepayments		
174	Miscellaneous Current and Accrued Assets		
	<b>TOTAL CURRENT AND ACCRUED ASSETS</b>	\$ <b>(4,046)</b>	\$ <b>2,304</b>
	<b>FIXED ASSETS</b>		
101	Utility Plant in Service	\$ <b>454,443</b>	\$ <b>467,950</b>
103	Property Held for Future Use		
105	Construction Work in Progress		
108	Accumulated Depreciation – Utility Plant	<b>318,684</b>	<b>333,357</b>
121	Non-Utility Property		
122	Accumulated Depreciation – Non Utility		
	<b>TOTAL FIXED ASSETS</b>	\$ <b>135,759</b>	\$ <b>134,593</b>
	<b>TOTAL ASSETS</b>	\$ <b>131,713</b>	\$ <b>136,897</b>

**NOTE:** The Assets on this page should be equal to **Total Liabilities and Capital** on the following page.

**BALANCE SHEET (CONTINUED)**

Acct. No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	<b>LIABILITIES</b>		
	<b>CURRENT LIABILITIES</b>		
231	Accounts Payable	\$ -0-	\$ -0-
232	Notes Payable (Current Portion)		
234	Notes/Accounts Payable to Associated Companies		
235	Customer Deposits	5,357	7,893
236	Accrued Taxes		
237	Accrued Interest		
241	Miscellaneous Current and Accrued Liabilities		
	<b>TOTAL CURRENT LIABILITIES</b>	\$ 5,357	\$ 7,893
	<b>LONG-TERM DEBT (Over 12 Months)</b>		
224	Long-Term Notes and Bonds	\$ 158,767	\$ 151,007
	<b>DEFERRED CREDITS</b>		
251	Unamortized Premium on Debt	\$	\$
252	Advances in Aid of Construction <b>meter fees</b>	17,860	18,920
255	Accumulated Deferred Investment Tax Credits		
271	Contributions in Aid of Construction		
272	Less: Amortization of Contributions		
281	Accumulated Deferred Income Tax		
	<b>TOTAL DEFERRED CREDITS</b>	\$ 17,860	\$ 18,920
	<b>TOTAL LIABILITIES</b>	\$	\$
	<b>CAPITAL ACCOUNTS</b>		
201	Common Stock Issued	\$	\$
211	Paid in Capital in Excess of Par Value		
215	Retained Earnings	(50,271)	(56,364)
218	Proprietary Capital (Sole Props and Partnerships)		
	<b>TOTAL CAPITAL</b>	\$	\$
	<b>TOTAL LIABILITIES AND CAPITAL</b>	\$ 131,713	\$ 80,533

**COMPARATIVE STATEMENT OF INCOME AND EXPENSE**

Acct. No.	OPERATING REVENUES	PRIOR YEAR	CURRENT YEAR
461	Metered Water Revenue	\$ 182,863	\$ 183,397
460	Unmetered Water Revenue		
474	Other Water Revenues	1,097	1,293
	<b>TOTAL REVENUES</b>	\$ 183,960	\$ 184,690
	<b>OPERATING EXPENSES</b>		
601	Salaries and Wages	\$	\$
610	Purchased Water		
615	Purchased Power	20,755	23,221
618	Chemicals	2,375	2,500
620	Repairs and Maintenance	23,400	27,450
621	Office Supplies and Expense	2,500	2,500
630	Outside Services	72,00	73,500
635	Water Testing	3,540	3,500
641	Rents	12,000	12,000
650	Transportation Expenses		
657	Insurance – General Liability	8,700	9,275
659	Insurance - Health and Life		
666	Regulatory Commission Expense – Rate Case		
675	Miscellaneous Expense	1,200	1,200
403	Depreciation Expense	13,756	14,677
408	Taxes Other Than Income		
408.11	Property Taxes	8,760	9,427
409	Income Tax		
	<b>TOTAL OPERATING EXPENSES</b>	\$ 168,986	\$ 179,250
	<b>OPERATING INCOME/(LOSS)</b>	\$ 14,974	\$ 4,147
	<b>OTHER INCOME/(EXPENSE)</b>		
419	Interest and Dividend Income	\$	\$
421	Non-Utility Income		
426	Miscellaneous Non-Utility Expenses		
427	Interest Expense	10,498	10,240
	<b>TOTAL OTHER INCOME/(EXPENSE)</b>	\$	\$
	<b>NET INCOME/(LOSS)</b>	\$ 4,476	\$ (6,093)



COMPANY NAME **Bradshaw Mountainview Water Co.**

**SUPPLEMENTAL FINANCIAL DATA**

**Long-Term Debt**

	<b>LOAN #1</b>	<b>LOAN #2</b>	<b>LOAN #3</b>	<b>LOAN #4</b>
Date Issued	<b>1/1/86</b>			
Source of Loan	<b>Sp valley dev</b>			
ACC Decision No.				
Reason for Loan				
Dollar Amount Issued	\$ <b>223,000</b>	\$	\$	\$
Amount Outstanding	\$ <b>151,007</b>	\$	\$	\$
Date of Maturity	<b>2016</b>			
Interest Rate	<b>7%</b>			
Current Year Interest	\$ <b>10,240</b>	\$	\$	\$
Current Year Principle	\$ <b>7,760</b>	\$	\$	\$

Meter Deposit Balance at Test Year End \$ \_\_\_\_\_

Meter Deposits Refunded During the Test Year \$ \_\_\_\_\_

COMPANY NAME **Bradshaw Mountainview Water Co.**

## WATER COMPANY PLANT DESCRIPTION

### WELLS

ADWR ID Number*	Pump Horsepower	Pump Yield (Gpm)	Casing Depth (Feet)	Casing Diameter (Inches)	Meter Size (inches)	Year Drilled
<b>55-610558</b>	<b>10</b>	<b>200</b>				
<b>55-610557</b>	<b>5</b>	<b>60</b>				
<b>55-610556</b>	<b>7.5</b>	<b>300</b>				

- Arizona Department of Water Resources Identification Number

### OTHER WATER SOURCES

Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)

BOOSTER PUMPS		FIRE HYDRANTS	
Horsepower	Quantity	Quantity Standard	Quantity Other
<b>20</b>	<b>1</b>	<b>6</b>	

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity
<b>125,000</b>			
<b>65,000</b>			

COMPANY NAME **Bradshaw Mountainview Water Co.**

**WATER COMPANY PLANT DESCRIPTION (CONTINUED)**

**MAINS**

Size (in inches)	Material	Length (in feet)
2		
3	<b>PVC</b>	<b>3,500</b>
4	<b>PVC</b>	<b>11,500</b>
5		
6	<b>PVC</b>	<b>42,768</b>
8		
10		
12		

**CUSTOMER METERS**

Size (in inches)	Quantity
5/8 X 3/4	<b>369</b>
3/4	<b>146</b>
1	
1 1/2	<b>2</b>
2	<b>6</b>
Comp. 3	<b>1</b>
Turbo 3	<b>1</b>
Comp. 4	<b>1</b>
Tubo 4	
Comp. 6	
Tubo 6	

For the following three items, list the utility owned assets in each category.

TREATMENT EQUIPMENT: **Liquid injection chlorinator**

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STRUCTURES:

**Fenced Lots and small pump houses**

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OTHER:

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COMPANY NAME: **Bradshaw Mountainview Water Co.**

**WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2003**

MONTH	NUMBER OF CUSTOMERS	GALLONS SOLD	GALLON PUMPED (Thousands)
JANUARY	508	2,600	2,735
FEBRUARY	509	1,999	2,031
MARCH	512	2,086	2,156
APRIL	510	3,687	3,789
MAY	509	3,520	3,678
JUNE	512	5,495	5,389
JULY	508	4,767	4,826
AUGUST	513	4,030	4,126
SEPTEMBER	512	3,106	3,265
OCTOBER	515	4,349	4,486
NOVEMBER	514	4,349	4,420
DECEMBER	514	2,615	2,710
TOTAL		N/A	

Is the Water Utility located in an ADWR Active Management Area (AMA)?

( ) Yes                      (x) No

Does the Company have An ADWR Gallons Per Capita Per Day (GPCPD) requirement?

( ) Yes                      (x) No

If yes, provide the GPCPD amount: \_\_\_\_\_

What is the level of arsenic for each well on your system.   >.05   mg/l

*(If more than one well, please list each separately)*

***Note: If you are filing for more than one system, please provide separate data sheets for each system.***

COMPANY NAME Bradshaw Mountainview Water Co. YEAR ENDING 12/31/2003

**PROPERTY TAXES**

Amount of actual property taxes paid during Calendar Year 2003 was: \$ 9,427

Attach to this annual report proof (e.g. property tax bills stamped "paid in full" or copies of cancelled checks for property tax payments) of any and all property taxes paid during the calendar year.

If no property taxes paid, explain why. \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

COMPANY NAME Bradshaw Mountainview Water Co.

YEAR ENDING 12/31/2003

**INCOME TAXES**

For this reporting period, provide the following:

Federal Taxable Income Reported n/a  
Estimated or Actual Federal Tax Liability \_\_\_\_\_

State Taxable Income Reported \_\_\_\_\_  
Estimated or Actual State Tax Liability \_\_\_\_\_

Amount of Grossed-Up Contributions/Advances:

Amount of Contributions/Advances -0-  
Amount of Gross-Up Tax Collected \_\_\_\_\_  
Total Grossed-Up Contributions/Advances \_\_\_\_\_

Decision No. 55774 states, in part, that the utility will refund any excess gross-up funds collected at the close of the tax year when tax returns are completed. Pursuant to this Decision, if gross-up tax refunds are due to any Payer or if any gross-up tax refunds have already been made, attach the following information by Payer: name and amount of contribution/advance, the amount of gross-up tax collected, the amount of refund due to each Payer, and the date the Utility expects to make or has made the refund to the Payer.

**CERTIFICATION**

The undersigned hereby certifies that the Utility has refunded to Payers all gross-up tax refunds reported in the prior year's annual report. This certification is to be signed by the President or Chief Executive Officer, if a corporation; the managing general partner, if a partnership; the managing member, if a limited liability company or the sole proprietor, if a sole proprietorship.

  
SIGNATURE4-12-04  
DATETimothy L. Kylo

PRINTED NAME

President

TITLE

**VERIFICATION  
AND  
SWORN STATEMENT  
Intrastate Revenues Only**

**RECEIVED**

APR 19 2004

VERIFICATION

STATE OF \_\_\_\_\_

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME)	YAVAPAI
NAME (OWNER OR OFFICIAL) TITLE	DIRECTOR OF UTILITIES
COMPANY NAME	Kyllo Dev, dba Bristlecone Mountain Water

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2003

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

**SWORN STATEMENT**

IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING CALENDAR YEAR 2003 WAS:

Arizona IntraState Gross Operating Revenues Only (\$)

\$ 196,508.97

(THE AMOUNT IN BOX ABOVE  
INCLUDES \$ 11,788.55  
IN SALES TAXES BILLED, OR COLLECTED

**\*\*REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED OR COLLECTED. IF FOR ANY OTHER REASON, THE REVENUE REPORTED ABOVE DOES NOT AGREE WITH TOTAL OPERATING REVENUES ELSEWHERE REPORTED, ATTACH THOSE STATEMENTS THAT RECONCILE THE DIFFERENCE. (EXPLAIN IN DETAIL)**

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

15<sup>th</sup>

DAY OF

COUNTY NAME	Yavapai	
MONTH	April	2004

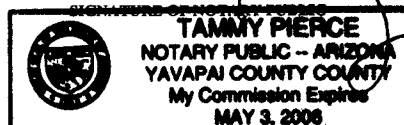
(SEAL)

MY COMMISSION EXPIRES

May 3, 2006

SIGNATURE OF OWNER OR OFFICIAL

TELEPHONE NUMBER



VERIFICATION  
AND  
SWORN STATEMENT  
RESIDENTIAL REVENUE  
INTRASTATE REVENUES ONLY

**RECEIVED**

APR 19 2004

VERIFICATION

AZ CORPORATION COMMISSION  
DIRECTOR OF UTILITIES

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

(COUNTY NAME) <u>YAVAPAI</u>	
NAME (OWNER OR OFFICIAL) <u>Tim Kyle</u>	TITLE <u>PRES</u>
COMPANY NAME <u>Kyle Dev dba Bradshaw Mtn View</u> <u>water</u>	

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2003

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

**SWORN STATEMENT**

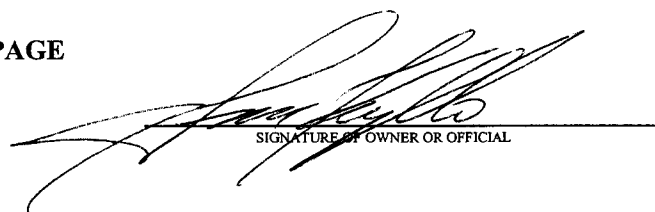
IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2003 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES

\$ 176,206.40

(THE AMOUNT IN BOX AT LEFT  
INCLUDES \$ 10,777.08  
IN SALES TAXES BILLED, OR COLLECTED

\*RESIDENTIAL REVENUE REPORTED ON THIS PAGE  
MUST INCLUDE SALES TAXES BILLED.

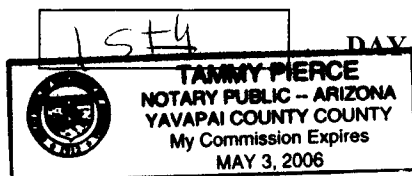
  
SIGNATURE OF OWNER OR OFFICIAL

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS 15th DAY OF

(SEAL)



MY COMMISSION EXPIRES

May 3, 2006

NOTARY PUBLIC NAME <u>Tammy Pierce</u>	
COUNTY NAME <u>Yavapai</u>	
MONTH <u>April</u>	YEAR <u>2004</u>

X

  
SIGNATURE OF NOTARY PUBLIC